

**MINUTES OF REGULAR MEETING - RIVERBOAT
OPEN SESSION
September 19, 2013
ILLINOIS GAMING BOARD
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

On Thursday, September 19, 2013 a Regular Meeting - Riverboat of the Illinois Gaming Board ("Board") was held on the 5th floor at 160 N. LaSalle at the Michael J. Bilandic Building, Chicago, Illinois at 10:45 A.M. Present were the following: Members Maribeth Vander Weele, Lee Gould, Michael Holewinski and Chairman Aaron Jaffe.

APPROVAL OF MINUTES

Member Holewinski moved that **the Board approve the open session minutes of its Regular Meeting of August 22, 2013**. Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

CHAIRMAN'S REPORT/COMMENTS –

The Chairman stated that the Board and staff have received several inquiries pertaining to restricting 24 hour video gambling at truck stops. He stated that 24 hour video gambling at truck stops is allowed pursuant to statute.

BOARD MEMBER'S COMMENTS –

Member Gould commented on the expectation of licensees to be good corporate partners by doing business with Illinois vendors.

Member VanderWeele stated that upon reviewing an annual update of a casino without mentioning the casino in particular she noticed that the executive staff is Caucasian. When selecting an executive team she is suggesting finding qualified diverse candidates.

ADMINISTRATOR'S REPORT -

Administrator Ostrowski stated that Harrah's Metropolis Casino will be hosting a diversity fair on November 1, 2013.

PUBLIC COMMENTARY –

- **Tom Swoik, Illinois Casino Gaming Association –**

Mr. Swoik addressed the Board and represented the casinos in voicing their opinion that 24 hour gaming should be legalized.

GOOD MORNING. I AM HERE THIS MORNING ON BEHALF OF ALL OF THE OPERATING CASINOS IN THE STATE AND WE APPRECIATE THE BOARD'S DECISION TO TAKE PUBLIC COMMENT ON THE ISSUE OF 24 HOUR GAMING AND THE OPPORTUNITY TO PRESENT THE INDUSTRY'S POSITION ON THIS IMPORTANT ISSUE. DUE TO THE UNITY OF THE INDUSTRY ON THIS ISSUE, AND IN THE INTEREST OF TIME, IT WAS DECIDED THAT I WOULD BE THE SOLE PRESENTER ON BEHALF OF THE INDUSTRY. MY SOLE PRESENCE HERE SHOULD NOT BE INTERPRETED AS A LACK OF INTEREST OR CONCERN BY THE INDUSTRY.

TODAY I WILL ADDRESS THE BENEFITS OF 24 HOUR GAMING. I WILL ALSO ADDRESS SOME POINTS I BELIEVE YOU WILL HEAR TODAY FROM OPPONENTS OF 24 HOUR GAMING.

AS YOU ARE AWARE, THERE HAS BEEN A LOT OF TALK ABOUT GAMBLING EXPANSION IN THE STATE OVER THE LAST FEW YEARS. THE REALITY IS THE INDUSTRY HAS BEEN SUFFERING. THE REVENUES OF THE ORIGINAL 9 OPERATING CASINOS AND THEREFORE THE SUPPORT TO THE STATE AND LOCAL COMMUNITIES HAVE DECREASED BY OVER 38% SINCE 2007 AND WE HAVE LOST OVER 2000 JOBS. IN RESPONSE TO THIS DROP, THE CASINO INDUSTRY MUST LOOK AT OPTIONS TO INCREASE REVENUES FOR THE INDUSTRY, THE STATE AND LOCAL COMMUNITIES.

LET ME BE CLEAR. THIS IS NOT AN EXPANSION OF GAMING. THERE ARE NO NEW FACILITIES AND THERE ARE NO ADDITIONAL POSITIONS. THIS IS AN OPPORTUNITY TO MAKE A POSITIVE BUSINESS DECISION, BETTER UTILIZE RESOURCES ALREADY AVAILABLE, CREATE JOB OPPORTUNITIES AND MAXIMIZE REVENUE TO OUR BUSINESSES AND THE STATE.

ESTIMATED ECONOMIC BENEFITS TO THE STATE INCLUDE:

- FOR EVERY 1% INCREASE IN STATEWIDE AGR, THERE WILL BE IN EXCESS OF \$5 MILLION IN ADDITIONAL TAXES PAID TO THE STATE.
- RIVERS CASINO ALONE HAS ESTIMATED THAT THEIR REVENUES WOULD INCREASE APPROXIMATELY 3%, WHICH WOULD GENERATE ABOUT \$7.2 MILLION IN ADDITIONAL TAXES.

THIS PROPOSAL WILL ALSO ASSIST IN ECONOMIC DEVELOPMENT BY INCREASING TOURISM AND REVENUES. I HAVE FORWARDED YOU LETTERS OF SUPPORT FROM THE CHICAGOLAND CHAMBER OF COMMERCE AND THE ILLINOIS HOTEL AND LODGING ASSOCIATION, AND I UNDERSTAND YOU HAVE ALSO RECEIVED A LETTER OF SUPPORT FROM THE ILLINOIS STATE CHAMBER OF COMMERCE.

OUR REQUEST FOR 24 HOUR GAMING IS NOT PROPOSING A MANDATE FOR ALL LOCATIONS TO STAY OPEN. WE ARE SIMPLY REQUESTING THE OPTION TO DO SO.

THE ADDITIONAL HOURS OF OPERATION WILL CREATE JOB OPPORTUNITIES AT THE LOCATIONS WHO CHOOSE TO PARTICIPATE.

- FOR EXAMPLE, RIVERS CASINO ESTIMATES INCREASING STAFF BY 44 WITH ESTIMATED ANNUAL SALARIES OF \$2.2 MILLION

24 HOUR GAMING ALREADY EXISTS IN ILLINOIS WITH THE OPERATION OF VIDEO GAMBLING AT TRUCK STOPS.

- FIRST, THE STATE DOES NOT RECEIVE AS MUCH REVENUE FROM TRUCK STOPS AS THEY DO CASINOS BECAUSE WE PAY A HIGHER TAX RATE.
- ALSO, GAMBLING AT TRUCK STOPS IS HAPPENING IN A FAR LESS REGULATED ENVIRONMENT THAN IN CASINOS, WHICH ARE IN A MUCH BETTER POSITION TO PREVENT PROBLEM GAMBLING AND ENFORCE GAMING BOARD REGULATIONS AT ALL TIMES.
- FOR EXAMPLE, WE SUPPORT THE STATEWIDE SELF-EXCLUSION PROGRAM. ILLINOIS CASINOS TAKE THIS VERY SERIOUSLY AND ARE PENALIZED IF THEY VIOLATE THE RULES OF THE PROGRAM. YET, THOSE WHO HAVE ENROLLED IN OUR SELF-EXCLUSION PROGRAM ARE FREE TO GAMBLE AT THESE 24 HOUR TRUCK STOPS. THERE, THE INDIVIDUAL AND THE VENUE FACE NO FINE OR PENALTY.
- 24 HOUR GAMING IS ALSO AVAILABLE VIA ADVANCED DEPOSIT WAGERING AT RACETRACKS, WHERE PEOPLE CAN PLACE BETS VIA THE INTERNET OR OVER THE PHONE 24/7, AND 24 HOUR IS ALSO AVAILABLE VIA INTERNET GAMING, WHETHER LEGALLY OR ILLEGALLY AND WHICH MAY BE LEGALIZED IN ILLINOIS IN THE FUTURE.

NOT ONLY DO OUR CASINOS FACE COMPETITION WITHIN THE STATE BUT 24 HOUR GAMING IS ALREADY AVAILABLE IN EVERY OTHER STATE IN THE COUNTRY INCLUDING OUR BORDERING COMPETITORS IN INDIANA, MISSOURI, WISCONSIN AND IOWA. ILLINOIS CASINOS ARE CURRENTLY COMPETING AT A DISADVANTAGE. 24 HOUR GAMING WILL ALLOW OUR CASINOS TO OPERATE WITH THE SAME STRUCTURE AS THEIR COMPETITORS.

YOU WILL HEAR TODAY ABOUT THE SOCIAL ILLS ASSOCIATED WITH GAMBLING. SOME WILL SAY BEING OPEN 24 HOURS WILL HAVE A NEGATIVE IMPACT ON OUR EFFORTS TO THWART COMPULSIVE GAMBLING. WE HAVE WORKED WITH BENSINGER DUPONT AND ASSOCIATES, AND HAVE BEEN UNABLE TO FIND ANY RESEARCH OR DATA TO SUPPORT THIS CONCLUSION.

FURTHER, THE CASINO INDUSTRY IS IN THE BEST POSITION TO CONTROL AND REGULATE PROBLEM GAMBLING. AS I PREVIOUSLY MENTIONED, ALL ILLINOIS CASINOS SUPPORT THE STATEWIDE SELF-EXCLUSION PROGRAM, WHICH IS NOT IN EFFECT AT ANY OF THE VIDEO GAMING ESTABLISHMENTS.

ADDITIONALLY, WE HAVE OPERATED THE PROBLEM GAMBLER HOT LINE SINCE 1996 AND THOSE SERVICES ARE ALREADY AVAILABLE 24/7.

THE CASINO INDUSTRY AS WELL AS THE GAMING BOARD ARE ALSO MEMBERS OF THE ILLINOIS ALLIANCE OF PROBLEM GAMBLING, A GROUP COMPRISED OF REPRESENTATIVES OF THE GAMING INDUSTRY, SERVICE PROVIDERS, GAMBLING REGULATORS AND OTHERS WHO SHARE A COMMON INTEREST TO EDUCATE ON THE POTENTIAL DANGERS OF PROBLEM GAMBLING, TO PREVENT UNDERAGE PLAY, AND TO COORDINATE RESOURCES AND INFORMATION TO ASSIST PROBLEM GAMBLERS, THEIR FAMILIES AND THE PUBLIC.

LASTLY, IT IS IMPORTANT TO NOTE THAT ALL IGB REGULATIONS WILL REMAIN IN PLACE AND WILL BE ENFORCED AT ALL TIMES. FOR EXAMPLE, SOME WILL SAY BEING OPEN 24 HOURS WILL CAUSE DRINKING PROBLEMS. IGB RULES CURRENTLY ALLOW US TO SERVE LIQUOR ONLY FROM 9:30 A.M. TO 4:00 A.M. OR UNTIL 1 HOUR BEFORE CLOSING IF CLOSING IS BEFORE 4:00 A.M. THIS WILL NOT CHANGE.

IN CONCLUSION, THIS PROPOSAL FOR 24 HOUR GAMBLING IS CONSISTENT WITH THE RIVERBOAT GAMBLING ACT WHICH STATES:

“THIS ACT IS INTENDED TO BENEFIT THE PEOPLE OF THE STATE OF ILLINOIS BY ASSISTING ECONOMIC DEVELOPMENT AND PROMOTING ILLINOIS TOURISM AND BY INCREASING THE AMOUNT OF REVENUES AVAILABLE TO THE STATE TO ASSIST AND SUPPORT EDUCATION.”

WE BELIEVE 24 HOUR GAMING MEETS THE LEGISLATIVE GOALS OF THIS STATUTE BY:

- INCREASING STATE AND LOCAL TAX REVENUE BY KEEPING BUSINESS IN THE STATE
- BOOSTING LOCAL TOURISM
- CREATING JOB OPPORTUNITIES
- AND SINCE AGENTS ARE CURRENTLY AT THE CASINOS 24/7 THERE WILL BE NO ADDITIONAL COSTS TO THE STATE.

THANK YOU AGAIN FOR THE OPPORTUNITY TO COMMENT AND WE SEEK YOUR APPROVAL TO OFFER 24 HOUR GAMING.

• **Anita Bedell, Illinois Church Action on Alcohol & Addiction Problems -**

Ms. Bedell addressed the Board and voiced her opinion opposing 24 hour gaming.

I ask the Illinois Gaming Board to oppose 24 hour, non-stop gambling at the casinos. This is not about staying open two hours longer, it is about round the clock gambling, with no break in the action.

A *Chicago Sun-Times* article on January 14, 2013, addressed an issue of concern about casinos never closing—Children left alone. A grandmother left her four grandchildren, ages 8 months, 1, 8, and 11 outside the Hollywood Casino in Aurora while she went inside to play the slots. She couldn't resist! It was one of 52 incidents involving 85 children left unsupervised at

Illinois casinos between January 1, 2010 and July 31, 2012. How many more incidents have gone unreported, and how many more children will be left alone if the casinos never close?

A 2011 study by scientists in the United States and Singapore using MRI scans, found that in sleep deprived individuals, the part of the brain tasked with assessing positive economic outcomes was over-activated, while the part tasked with assessing negative outcomes was depressed. In other words, **gambling in the early hours of the morning is particularly risky, according to the scientists, who have found that sleep deprivation makes people more likely to think they will win.** Extending the hours would negatively impact problem and pathological gamblers who are the most vulnerable.

I have also heard of instances where gamblers use illicit stimulant drugs to stay awake so they can gamble 24 hours, 36 hours, 48 hours, or longer. This is a danger to the gambler and to the public.

Professor Earl Grinols, in independent studies, estimated that three-eighths to one-half of casino revenue will come from problem and pathological gamblers. The Illinois Gaming Board conducted a survey of casino gamblers one time and found that 15 to 20 percent of all gamblers accounted for half of all visits. The increase in revenue from round the clock gambling would come from problem and pathological gamblers.

A few years ago, I met a couple whose 27 year old son took his life following a casino gambling binge at an Illinois casino. His parents wrote that once he gambled for 30 hours at a casino in Wisconsin. "Those extra few hours of action might simply be a convenience for some, but it will be a death sentence for others. So please don't do this. The casinos want to increase profits, but you must also include the cost of gambling addiction. . . . At our house, the price is insurmountable."

I know a woman who spoke before this Board several years ago, whose husband began drinking when he gambled and lost at Illinois casinos. He had several DUIs and lost his driver's license. A 1997 study by the Louisiana Insurance commissioner found that the highest rates of injury due to drunk- driving crashes occurred in parishes that surround the state's casinos.

According to a new report, *Why Casinos Matter*, "the new regional casinos depend decisively on attracting gamblers who live in the region." Most people drive to Illinois casinos, some of which are located in densely populated areas. Allowing 24 hour gambling and drinking at casinos will impact public safety.

According to Dr. Valerie Lorenz, a pioneer in treatment for gambling addiction in Baltimore, addicted gamblers drive like drunk drivers. Addicted gamblers seem more hurried and take more risks during their heavier gambling activity. Common civil violations include speeding, reckless driving, driving without a license or with a suspended license, driving with no insurance, and driving under unsafe conditions.

Alcohol impairs judgment. The combination of alcohol and gambling has lead to serious suicide attempts. I have spoken with gambling addicts who closed their eyes while driving in the hopes that they would have a car crash so their families could collect money from an insurance policy. If the casinos never close, we can expect more fatalities and injuries.

There were 10, 219 gamblers on the Self-Exclusion list at casinos last week, with 3,280 incidents of self-excluded gamblers getting caught at Illinois casinos. The son of one of the people on this list, who continued to gamble undetected, e-mailed you a letter and said, “If you allow riverboat casinos to stay open for 24 hours, what plan would you have for protecting Illinois citizens from turning into addicts? Illinois did not protect my mother. . . . The reality is the amount of time she will be able to work is limited, and if she can't work, and she has no savings left, will Illinois be forced to care for her as she ages? Certainly, she would have been self-sufficient had Illinois been more diligent in monitoring these casinos. . . . How many thousands of others have similar stories? How many thousands more will become addicts if they never have to leave Illinois casinos? We all know the state is desperate for revenue, but how desperate?

Please follow the precedence set by previous Gaming Boards and reject 24 hour casino gambling. Do not make Illinois the Las Vegas of the Midwest.

- **Kathy Gilroy –**

Ms. Gilroy addressed the Board and voiced her opinion in opposing 24 hour gaming.

Good morning, Chairman Jaffe, Board members, and staff. My name is Kathy Gilroy. I request that you maintain the requirement that Illinois casinos close for two hours each day.

With many addictions, such as smoking and drinking, as the dangers have become known, more and more protections have been put in place to protect potential addicts, their families, co-workers, and neighbors. For example, smoking is no longer allowed in public places, even casinos. Drinking is not allowed in cars, and taverns must close by certain hours.

The same increase in protections should be taking place for gambling. Unfortunately, protections for potential gambling addicts, their families, co-workers, and neighbors have been lessened over the years. When riverboat gambling was first approved, a limit on the amount of money that could be lost, such as Missouri and Iowa had, was proposed, but somehow left out of the final legislation. When Illinois casinos first opened, the timing of cruises caused a natural break in the “zone” for gamblers. However, cruising has been eliminated. Less-addictive table games have been replaced by more-addictive slot machines. Even slot machines themselves, changing from mechanical to electronic, have become more efficient at separating gamblers from their money. Vouchers have replaced coins, meaning that gamblers no longer have to wait for someone to pay them a jackpot. Protections for gamblers are being whittled away one at a time.

That is why it is so important that you not allow Illinois casinos to remain open round-the-clock. This is not about just two more hours of gambling. This is about allowing gamblers to continue gambling non-stop for days. Casinos are implying that they may remain open 24 hours on only certain occasions. However, holidays are dangerous times for potential addicts. On holidays, people often drink too much, and they may not have to go to work the next morning. When potential addicted gamblers are forced to leave at

closing time, it is an interruption in the what's called the "zone". Who is at casinos at 6:00 a.m., 7:00 a.m., or 8:00 a.m.? Maybe a few shift workers. But, more likely addicted gamblers. The extra revenue that Illinois casinos are hoping to garner from gamblers during those two hours and the subsequent hours and days they stay there would be off the backs of those in the throes of their gambling addictions. There may be no studies on it. But, no thinking person can deny it.

Just Monday, the Chicago Tribune ran a story about a rabbi who was so addicted to gambling that he had self-excluded himself from casinos in three states. His addiction was so strong that after being arrested at a casino for trespassing, he still could not resist the urge to gamble again. At a conference of our national organization, I roomed with one of the speakers. She had been a young, ambitious lawyer in New York, representing victims of 9/11. Her stress-reducing trips to gamble in Connecticut casinos turned into a gambling addiction so gripping that she would go days without eating or sleeping. She once gambled for five days without stopping, gambling away client funds. She passed out at the tables. She survived on orange juice and Snickers bars that casino staff gave her. She played seven hands of blackjack at a time, taking an entire table, and losing \$5,000 per hour. After serving time in jail, she now sells jewelry for a living.

Illinois casinos want gambling addicts like her to provide them with more profit. Don't let them. You've denied them before. You have responsibility over an addictive activity. Truck-stops should have slot machines turned off for two hours. That would level the playing field in the right direction, providing more protection for Illinois gamblers. Illinois gamblers deserve a break today and every day. Please, do the right thing. Thank you.

- **Melynda Litchfield -**

Ms. Litchfield addressed the Board and staff gave a brief summary how her life has changed the last 3 years from her gambling addiction. Ms. Litchfield is opposed to 24 hour gambling. She reiterated that the casinos should not have 24 hour gambling; the 2 to 4 hour window when the casinos close give the problem gamblers time to back out of the situation and go home and collect themselves and give them a little time of self reflection. If the casinos stay open 24 hours a day the gambler can go non-stop without interruption.

- **Jim Blue, Illinois Church Action on Alcohol & Addiction Problems –**

Mr. Blue voiced his opinion in opposing 24 hour gaming. He stated how problem gambling will become more severe with 24 hour gaming. He also voiced his opinion on the legality of truck stops not needing liquor licenses and legally hosting video gaming whereas other licensees are required to have a liquor license.

- **Chris Anderson, Director, Gambling Recovery Center of Illinois –**

Mr. Anderson addressed the Board and staff and strongly opposes 24 hour gaming. Mr. Anderson went on to explain the benefits to the problem gambler of the casinos closing for a period of 4 hours.

- **Rev. Bill Bryan, Board Member of Illinois Church Action on Alcohol and Addiction Problems –**

Pastor Bryan addressed the Board and voiced his opinion opposing 24 hour gaming.

I am Pastor Bill Bryan, an ordained minister on the staff of Grace United Methodist in Naperville. I am also a member of the Board of Illinois Church Action on Alcohol and Addiction Problems (ILCAAAP).

I come before you today to urge you not to approve the requests of two of our casinos for 24 hour operation.

Allowing round the clock operation for any of the casinos you license and monitor would only lead to greater problems for our state and especially for the local municipalities and communities in which they are located. The original legislative action authorizing the establishment of river boat casinos required that they cruise and dock every four hours with no gambling to be conducted while they were docked. Thus, the many problems associated with unlimited gambling were acknowledged. Now these safeguards have been lifted, and allowing round the clock operation will remove yet another safeguard. In addition, allowing some of the casinos to have 24 hour operation will undoubtedly prompt other casinos to demand the same out of “fairness”.

With unlimited time for gambling, some compulsive gamblers will continue to play for many hours – possibly 36, 52 or 72 hours-until all their money is gone and their credit is used up as well. Thus, a policy decision on the part of you, the Board, would be contributing to more bankruptcy and poverty among our citizens. And this would be done with the highest percent of the profit going to the companies and the casino owners with a very small percentage coming back to the state. The additional gambling hours would place many persons at greater risk while benefitting only a few.

Surely we do not want to approve a policy that would lead to the developing of more problem pathological gamblers. Over 10,000 persons are currently on the self-exclusion list in Illinois. I appeal to the Board to not take any action that would increase the size of this list.

There is also the problem of drinking alcohol at the casinos. Persons who have lost large sums of money are likely to drink heavily out of frustration. In Illinois, the casinos are located in densely populated areas. Increased hours will place more drivers with impaired judgment and slower reflexes on our streets and highways. This will affect public safety. More law enforcement would be required.

Rather than adding operational hours to any of the casinos, the 24 hour gambling at the truck stops in the state should be stopped. Such action would end the “advantage” that those businesses now have over the casinos.

We realize that your task is not easy. Thank you for your hard work on behalf of the people of Illinois. But do please make the protection of the financial and personal well being of our citizens your highest consideration.

Thank you for the privilege of speaking before you.

- **Karen Hayes, Illinois Family Institute –**

Ms. Hayes addressed the Board and voiced her opinion opposing 24 hour gaming.

Chairman and members of the Illinois Gaming board – My name is Karen Hayes, and I’m here today on behalf of the Illinois Family Institute to strongly urge you to again reject any attempt to embrace round-the-clock legalized casino gambling.

As our public gatekeeper of legalized gambling in Illinois, we appeal to you to firmly oppose removing the very minimal gambling hour limits currently in place. Keeping a definitive end to the day of casino gamblers avoids troubling non-stop never-ending round-the-clock access, temptation and exploitation of the most vulnerable gamblers which include senior citizens, women and young adults. There would be nothing to stop problem gamblers from literally gambling for days.

To be clear, as a statewide non-profit and non-partisan pro-family ministry, firm reliance on time-tested Judeo-Christian principles is the foundation of what we support and advocate as good public policy. This includes Jesus’ admonition that we can’t serve both God and money, and the Apostle Paul’s warning that the “. . . the love of money is a root of all kinds of evil. Some people, eager for money, have wandered from the faith and pierced themselves with many griefs.” Today those griefs include the harmful consequences to Illinois families. I know a former addicted gambler whose young family was directly threatened as a result of his out-of-control gambling. The threat wasn’t theoretical, it wasn’t speculative, it wasn’t included in any study, and there were no public hearings about it – but it happened right here in Illinois.

Gambling which was once widely accepted as vice and plainly understood to be harmful to individuals, families, and local communities, has already been expanded beyond anyone’s imagination in just a few years. Unfettered access to legalized casino gambling despite the increased harm is a bad bet for Illinois, and should continue to be roundly rejected.

It’s easy to foresee the causes and effects of non-stop gambling:

Non-stop round-the-clock access to legalized casino gambling will promote more gambling addiction;

Which will cause more harm to Illinois individuals and families;
Which will result in increased social costs, at a rate of \$3 for every \$1 gambled;
Which will lead to more “revenue enhancements”/taxes;
Which will put an even heavier burden on Illinois families;
Which will increase desperation and lead to more non-stop round-the-clock gambling.

In other words, this bad bet fosters more bad bets. Any hope of an increase to the so-called “entertainment value” of non-stop round-the-clock legalized gambling just isn’t worth the non-stop round-the-clock price we will all share.

If I may add another timely concern I think for all Illinois citizens—Just two months ago, Pew Research Center announced findings of economists Douglas M. Walker and Peter T. Calagno; and the bottom line was reported as this: “When casinos come to town, an increase in public corruption is likely to follow.” Furthermore, “Mississippi led the list (of most corrupt states)...followed by Louisiana, Illinois and South Dakota. *At the same time, none of the five states with the lowest corruption rates had legalized casino gambling during the study period.*”

With due respect, it’s hard to fathom any serious regulation if all time constraints are thrown out. This proposal only increases the favored odds of profiteers and decreases the odds of their necessary losers, and it will be even more harmful to Illinois families. In fact, with such minimal, lenient hour restrictions currently in place, this Gaming Board may do well to seriously consider rolling them back instead,

Thank you for considering our concerns.

- **Clarence Rak –**

Mr. Rak addressed the Board and voiced his opinion opposing 24 hour gaming.

Mr. Rak gave an emotional testimony of how his ex-wife’s gambling addiction changed their lives forever. He also went on to state that due to the gambling addiction he and his wife of 18 years divorced and also added that on today’s date 5 years ago his ex-wife had ended her life.

ITEMS FOR FINAL ACTION –

- **Des Plaines Development Limited Partnership d/b/a Harrah’s Joliet Casino and Hotel – Daniel A. Karwowski, Staff Internal Auditor – Level 1**

Based on staff’s investigation, Member Vander Weele moved that **the Board approve Daniel A. Karwowski as an Occupational Licensee Level One in his position as Staff Internal Auditor of Des Plaines Development Limited Partnership d/b/a Harrah’s Joliet Casino and Hotel.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

- **Penn National Gaming, Inc. – Corporate Restructure – REIT**

Chairman Jaffe stated that he thought it appropriate to mention that by the Board approving this transaction the State of Illinois will collect \$3.5M less in taxes from the entity due to the refinancing. For that reason Chairman Jaffe will vote against the approval.

Based on staff's investigation, and pursuant to Rule 230(d), Member Gould moved to **approve Penn National Gaming, Inc.'s request to refinance its existing debt, seeking in connection with the spin-off, the total amount of capital to be raised in the proposed refinancing by Penn to be \$1.55 billion. The Penn debt will consist of a Senior Credit Facility comprised of (1) a Revolving Credit Facility in the amount of \$500 million maturing 5 years after the closing date, (2) a Term Loan 'A' Facility in the amount of \$500 million maturing 5 years after the closing date, and (3) a Term Loan 'B' Facility in the amount of \$250 million maturing 7 years after the closing date. Also included will be \$300 million in Senior Notes maturing in 5 years; terms yet to be finalized. The Illinois properties are to be subsidiary guarantors on these debt instruments. In addition, pursuant to Rule 235(a), I move to approve any Illinois real estate transfers to Penn National Gaming, Inc. or to Gaming and Leisure Properties, Inc. Final approval of the Board's actions regarding the restructuring is subject to the following conditions.**

1. **Final, executed documents of the Master Lease, separation documents, refinancing documents, sublease, and supplemental documents associated with the corporate restructuring must be provided to the Board immediately upon availability following the corporate restructuring;**
2. **Immediately upon availability after the corporate restructuring, Penn National Gaming, Inc. shall provide the Board with documents confirming the organizational structures and management structure as provided in documents submitted in Penn National Gaming, Inc.'s Request for Final Approval of a Corporate Restructuring;**
3. **Immediately upon availability after the corporate restructuring, Gaming and Leisure Properties, Inc. shall provide the Board with documents confirming the management structure as provided in documents submitted in Penn National Gaming, Inc.'s Request for Final Approval of a Corporate Restructuring; and**
4. **Immediately upon availability after the corporate restructuring, Penn National Gaming, Inc. shall provide the Board with documents confirming that the Illinois properties will continue to be wholly-owned subsidiaries of Penn National Gaming, Inc., with the exception of the real property.**

Member Vander Weele seconded the motion. Chairman Jaffe opposed the motion. Member Holewinski was in favor of the motion. The motion passed 3 to 1.

SUPPLIER LICENSEE ITEMS –

- **GLP CAPITAL, L.P. – New Supplier**

Based on staff's investigation, Member Holewinski moved **that GLP Capital, L.P. be granted a Supplier's License for a term of one year and that the following entities, positions and individuals be designated as Key Persons of the licensee: Gaming and Leisure Properties, Inc., GLP Capital Partners, LLC, Chairman/CEO/President, Gaming and Leisure Properties, Inc., and Peter M. Carlino.** Member Gould seconded the motion. Chairman Jaffe opposed the motion. Member Holewinski was in favor of the motion. The motion passed 3 to 1.

OCCUPATIONAL LICENSE APPROVAL AND DENIALS –

Based on staff's investigation, Member Vander Weele moved that **the Board find suitable and approve 31 applications for Level 2 Occupational Licenses and 88 applications for Level 3 Occupational Licenses and that the Administrator issue Notices of Denial to Justin McGown, Doria Salas, Oscar Spagner and Edison Zambrano.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

PROPOSED COMPLAINTS AND DISCIPLINARY ACTIONS –

- **Occupational Licensees**

Based on staff's investigation, Member Gould moved that **the Board issue Disciplinary Complaints to revoke the Occupational Licenses of Randi Leigh Shannon, Barbara Minssen and Nyphodora Gonzalez, said actions to take effect 21 days from the dates of service of the Complaints, unless the licensees file Answers within that time period.** Member Vander Weele seconded the motion. The Board approved the motion unanimously by roll call vote.

At 12:00 P.M. Member Holewinski motioned to adjourn and Member Gould seconded the motion. All Members voted in favor of adjournment.

Respectfully submitted,

Mary C. Boruta
Secretary to the Administrator